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## Country review report for Lesotho*

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* The present report contains a summary of the findings of the review. The full text is available in the language of submission from the Executive Board secretariat.

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## Introduction

1. The country review for Lesotho was held in May 2000 in accordance with the procedures set forth in the UNDP Programming Manual for the monitoring of country cooperation frameworks (CCFs). The process was consultative and involved the Government, donor community, non-governmental organizations (NGOs) and civil society. The present report contains a summary of the findings and key recommendations of the review mission for the CCF, the programme performance and the UNDP support to the United Nations.

## I. The national context

2. Lesotho is a constitutional monarchy, which since 1993 has been governed by an elected civilian administration. In 1997, the Independent Electoral Commission (IEC) was created to supervise and conduct the May 1998 and future elections. This change in legislation, received as a means of increasing transparency and fairness to the opposition parties, reflected a strengthening of the democratization process. The results of the May 1998 elections, which gave the ruling party 79 out of 80 seats in the national assembly, were widely contested by the opposition parties. This resulted in political tensions in September 1998 and the military intervention of the Southern African Development Community (SADC).

3. On the economic front, gross domestic product (GDP) grew at an annual rate of 6.9 per cent between 1990 and 1997, making Lesotho one of the best performers in Africa. Progress was sustained mainly as a result of the construction activity of the Lesotho Highlands water project (LHWP) and the rapid expansion of the manufacturing sector. Despite the exceptional growth performance of the early 1990s and the rise in the human development index (HDI) from 0.432 in 1991 to 0.582 in 1997, there was no noticeable decline in unemployment or a reduction in poverty. Average unemployment is around 35 to 45 per cent; 50 per cent of households are classified as poor and 25 per cent as ultra poor.

4. The development agenda of the Government, as outlined in its poverty reduction strategy, focuses on: (a) improving the political climate for political stability and peace, and developing democratic institutions; (b) reducing poverty through sound economic growth; and (c) seeking closer integration with SADC.

5. Within this context, UNDP has committed, through the Administrator's Business Plans, 2000-2003, to: (a) enhance national political dialogue and play a proactive role in conflict management and brokered peace; and (b) strengthen advocacy for the implementation of poverty-reduction strategies. This orientation is in line with the development agenda of the Government.

## II. The country cooperation framework

6. The CCF for the period 1997 to 2000 focuses on the following three areas, with gender as the main cross-cutting theme: (a) enhanced governance and capacity-development for economic management and civil-service reform; (b) human-resource development and employment creation; and (c) rural development and environmental management.

7. Some changes were made in the implementation of the CCF, particularly in the area of governance, after the 1998 events in order to cope with the emerging needs of conflict resolution, guidance in new electoral processes and support to political stability. The main development partners recognized that the positive and adequate prompt response of UNDP matched the priorities and challenges faced both by the Government and UNDP.

8. The two other programme areas, human-resource development and employment creation and rural development and environmental management, aimed at tackling the issues of poverty. Despite some positive results, the overall impact has been limited mainly as a result of: (a) the non-existence of linkages and networking between projects acting within the same programme area, even though this was clearly stipulated in the programme outlines; and (b) the absence of realistic assessments of execution and implementation capacities with regard to available resources during the formulation stage, which greatly handicapped the implementation of projects.

9. The medium-term development plan of the Government will be described in the poverty reduction strategy paper (PSRP). Since the World Bank is not represented in Lesotho and since UNDP has already

demonstrated its substantive capacities on the poverty issue, the Government expects UNDP to help to galvanize the national Poverty Reduction Task Force, of which it is a member.

10. With regard to gender issues, although gender mainstreaming is the key policy outlined in the CCF for the three areas of concentration, there was no clear evidence that gender was an explicit factor. The only exception was in human-resource development and employment creation, where it was indicated that of the 5,000 small- and medium-sized enterprises (SMEs) to be assisted, 50 per cent should have been for women. The achievement review revealed that this was not feasible and therefore was not attained.

**Recommendations**

11. The next CCF should focus more intensely on governance and poverty reduction and give special attention to HIV/AIDS.

12. Before formulating the next CCF, it will be necessary to assess the possibilities for gender mainstreaming taking into account the gender policy of the Government.

## III. Programme performance

13. In the area of governance and capacity development for economic management and civil-service reform, the main sustainable achievements are: (a) the elaboration of the sixth national plan (1996-1999), which has enabled more timely analysis within government administration and more focused strategic formulation for medium-term perspective planning; (b) the provision of adequate support to the round table process on poverty reduction within the context of good governance in November 1997, which has continued to forge strong relationships between the Government and the donor community, although the funds have not been forthcoming; and (c) the undertaking of management audits in six ministries, which have set a pace for transparency, accountability and the overall reorganization of functions, duties and responsibilities.

14. Additional achievements related to the 1998 events include: (a) training programmes conducted in the area of conflict resolution for key governance stakeholders (the military, police, judiciary and civil service) on their role in supporting the democratic process, which has facilitated the signature of the New Agreement on National Reconciliation in December 1999; and (b) support to national institutions during the electoral process in 1998 and continued policy dialogue maintained by the Resident Representative at all levels, thereby projecting UNDP as a fair broker in the democratization process and raising its profile as a valued and trusted partner for mediation.

15. In the area of human-resources development and employment creation, the main sustainable achievements are that: (a) the Ministry of Employment and Labour is now capable of producing annual surveys of labour and employment; (b) a national employment policy has been prepared and is now under consideration by the Government; and (c) training and small-scale credit schemes provided to small- and medium-sized enterprises (SMEs) resulted in the expansion of SME businesses. An impact measurement needs to be undertaken to assess the range of this expansion.

16. In the area of rural development and environmental management, the sustained results are that: (a) a comprehensive legislative framework and its supportive regulations were indicated in the national action plan to implement Agenda 21, developed prior to the approval of the CCF (the bill on the environmental framework is in the process of enactment by the parliament); (b) environmental education campaigns have made great progress in raising awareness among the public at large (the National Environment Secretariat (NES) is now capable of producing reports on environmental awareness, as it did in 1999); and (c) Africa 2000 has continued to demonstrate at the downstream level the efficacy of practices and techniques utilized in environmental protection and sustainable food production; and (d) the National Environment Youth Corps Programme, co-financed by the Government, has among other training schemes developed capacities for youth in soil rehabilitation.

**Recommendation**

17. It would be expedient to assess the knowledge and baseline information gathered through the first CCF. Doing so will assist in the formulation and further implementation of forthcoming programmes in the next CCF.

# IV. UNDP support to the United Nations

18. The Government has built a new, impressive building at the cost of $4 million and donated it to the United Nations. The Country Review Mission pointed to this appreciative gesture as an example to be followed by other countries. Under the same roof are the United Nations Children's Fund (UNICEF), the United Nations Information Centre (UNIC), the World Health Organization (WHO), the Food and Agriculture Organization of the United Nations (FAO), United Nations Volunteers (UNV), the United Nations Population Fund (UNFPA), the United Nations Capital Development Fund (UNCDF), the World Bank liaison office and UNDP. The World Food Programme (WFP) is next door in a building called the WFP United Nations House and has preferred to remain there for logistical reasons. This arrangement has given an excellent boost to the United Nations presence and image in Lesotho.

19. There continues to be support for collaborative and more integrated United Nations programming. There are no substantive cases of joint core programmes. The CCA report has been finalized and the country office has started preparing the United Nations Development Assistance Framework (UNDAF). The United Nations Country Team decided to have a common programming period by 2002. However, as UNICEF may not be a part of this (because its Executive Board has approved their programme till the end of 2002), the Country Review Mission suggested making adjustments to harmonize programming periods. UNDP will be extending its present CCF by one year. There is greater collaboration on HIV/AIDS. The United Nations theme group on HIV/AIDS and the technical working group continue to collaborate with the Government. Some joint funding has been made, particularly that from the Joint United Nations Programme on HIV/AIDS (UNAIDS), to support a national HIV/AIDS strategy and various awareness programmes. The incidence of HIV/AIDS in Lesotho has increased and is going to have a negative impact on development in the future if it is not tackled in a collaborative manner.

20. On aid coordination, the country office had a good experience in the round table process, of which two were held in the last two years: one for the Government and the other for the SADC Water Project. In both cases, millions of dollars were pledged. However, the Country Review Mission found that only a fraction of the amount pledged for the country programmes has been delivered. There has not been a concerted follow-up effort. The instability and political crisis that the Government has confronted since the round table was held could also have been a cause. On the other hand, the Country Review Mission noted some success in the actual realization of some of the funds, which were pledged for the SADC Water Project.

**Recommendation**

21. Assembling all agencies under the same roof is desirable; it would require moving WFP to the United Nations House.

22. Joint programming of activities should be strongly encouraged.

23. Follow-up mechanisms should be established to release pledged amounts within the framework of the round table process.

# Annex

## Financial summary

Country: Lesotho
CCF period: 1997-2000
Period covered by the country review: January 1997-December 2000

| *Regular resources* | *Amount assigned for the full period of the CCF* | *Amount actually made available for the period under review* | *Estimated expenditure for the period under review* |
|---|---|---|---|
| | (Thousands of US dollars) | | |
| Estimated IPF carry-over | 446 | 446 | 446 |
| TRAC 1.1.1 and<br>TRAC 1.1.2 (66.7 per cent of TRAC 1.1.1) | 4 190<br>2 794 | 4 190<br>2 794 | 4 190<br>2 794 |
| TRAC 1.1.3 | | 350 | 362 |
| Other resources | | | |
| SPPD/STS | 495 | 731 | 731 |
| **Subtotal** | **7 925*** | **8 511** | **8 523** |

| *Other resources* | *Amount targeted for the full period of the CCF* | *Amount actually mobilized for the period under review* | *Estimated expenditure for the period under review* |
|---|---|---|---|
| | (Thousands of US dollars) | | |
| Government cost-sharing | 3 000 | 1 682 | 1 682 |
| Third-party cost-sharing | 1 930 | 1 434 | 1 434 |
| Sustainable development funds | | | |
| GEF | 2 500 | 2 434 | 247 |
| Montreal Protocol | | 56 | 56 |
| Funds, trust funds and other | | | |
| Nordic Trust Fund | | | |
| Japan Trust Fund | | | |
| UNDP Trust Fund | 500 | 500 | 500 |
| UNCTAD | | | |
| UNSO | | | |
| Other (UNCDF) | 4 978 | 1 632 | 1 632 |
| **Subtotal** | **12 908** | **7 738** | **7 738** |
| **Grand total** | **20 833*** | **16 249** | **16 261** |

* The total includes SPPD/STS as reflected in the CCF resource mobilization target, but not included in the summary of programme outline in the financial information table.

GEF=Global Environment Facility; IPF=indicative planning figure; SPPD=support for policy and programme development; STS=support for technical services; TRAC=target for resource assignment from the core; UNDCF=United Nations Capital Development Fund; UNCTAD=United Nations Conference on Trade and Development; UNSO=UNDP Office to Combat Desertification and Drought